

CAI

Z 1

- 75M23

[Commission and Committee of
Inquiry]

of Inquiry into the Marketing of Beef

Government
Publications



TELEPHONE: (306) 652-9465

TELEX: 074-2376

250C - 2ND AVENUE SOUTH, SASKATOON, SASK. S7K 2M1

national farmers union

In Union is Strength

National Farmers Union

Submission

to the

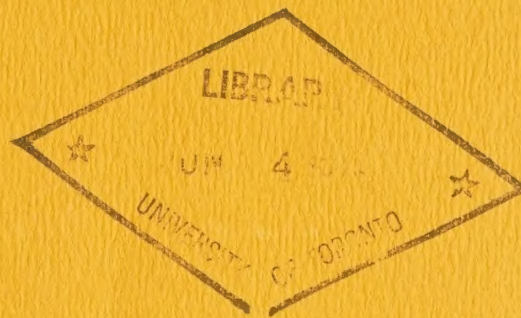
Commission of Inquiry

Into The

Marketing of Beef

Saskatoon, Saskatchewan,

June 2, 1975



3 1761 11970254 6

CAI
21
- 75 M 23

National Farmers Union

Submission

to the

Commission of Inquiry

Into The

Marketing of Beef

presented at

Saskatoon, Saskatchewan

June 2, 1975

1. We appreciate this opportunity of submitting some of our views to your Commission on the matters before you.
2. The National Farmers Union, by way of introduction, is a voluntary membership organization of farmers. Our membership includes farmers of wide and diverse commodity interests, ranging as it does from British Columbia to the Maritime provinces. We do not have membership in the provinces of Quebec or Newfoundland.
3. The concept of the NFU is to unite farmers into one organization with a view toward formulating policies which will be equitable to all and still succeed in overcoming the basic conflicts of interest that are inherent within the agricultural industry.
4. In the development of NFU policies we believe the decisions livestock producers, for example, arrive at must not be formulated without regard to the needs and considerations of producers of other products such as grain. We regard the production of grain as basic to the successful development of the animal industry. For this reason we believe there must be a deliberate attempt to establish a balanced economic relationship between grain and livestock production which will permit orderly growth and development. In short, we

believe farmers need to learn to live with one another rather than off one another.

5. This approach in organizing farmers stands in sharp contrast to the concept of organizing farmers into a number of separate and specialized groups which frequently carry the name of a commodity and attempt to legitimize their narrow self-interest representation on behalf of all producers of that commodity. This process often divides them from farmers who produce different commodities. It is an approach to farm organization which emphasizes their differences and conflicts of interest rather than uniting them. Indeed, on occasion it may even force cleavages between producers of similar commodities such as the recent clash of interest between cow-calf operators and the feeders of cattle.

6. We have observed through press reports the progress of this Commission at a number of previous hearings. On the basis of these reports, we are left with two major concerns respecting the credibility of the Inquiry itself.

7. The first concern relates to doubt that has been created over the need for the Inquiry itself.

8. To be more specific, the following are examples of press reports on representations made to this Commission which, in the eyes of the general public, must raise questions of doubt that a problem exists at all in the beef industry.

9. *"Cattlemen tell beef industry probers they want no marketing board, meddling,"* states a headline report in the April 3 edition of the Toronto Globe and Mail in reference to a submission presented by the Western Stockgrowers Association. (See Appendix A)

10. The Canadian Cattlemen's Association submission is reported to have stated that it is, *"opposed to any major structural or philosophical*

changes in our current marketing practices" and further wants no marketing boards or other "legislated supply controls" - including any impediment to "the movement of cattle or beef north and south, across the border." (Regina Leader Post, April 2, 1975).

11. What would have been the impact to Canadian beef producers if no import quota had existed on U.S. beef in 1974 when the Toronto price was as much as \$13.11 above the Omaha price in the 4th quarter of that year? (Table 5, Appendix C)

12. W. F. McLean, president, Canada Packers Ltd., is reported to have told your Commission his company purchases its cattle on "whatever system producers want, whether through terminal auction, country auction or direct purchases."

13. He is the same W. F. McLean who is well remembered by farmers as expressing the philosophy of his company as being to buy as cheaply as possible and sell for as much as possible. The three existing market alternatives mentioned by Mr. McLean undoubtedly accommodate these objectives admirably from the company's point of view.

14. Mr. McLean is reported to have expressed the view to this Commission that government stabilization of the beef industry is not compatible with relatively free trade arrangement with other markets, particularly the United States, and added, "What's more, I'm not sure it's desirable. If you start to stabilize income in the beef industry, you have to devise a mechanism for regulating output." (Winnipeg Tribune, March 26, 1975).

15. It may be fitting to recall at this time that the 1961 Report of the Restrictive Trade Practices Commission had some rather interesting observations to make respecting the Meat Packing Industry and the acquisition of Wilsil Limited and Calgary Packers Ltd. by Canada Packers Ltd., about which it stated as follows on page 427 of its Report:

changes in our current marketing practices" and further wants no marketing boards or other "legislated supply controls" - including any impediment to "the movement of cattle or beef north and south, across the border." (Regina Leader Post, April 2, 1975).

11. What would have been the impact to Canadian beef producers if no import quota had existed on U.S. beef in 1974 when the Toronto price was as much as \$13.11 above the Omaha price in the 4th quarter of that year? (Table 2, Appendix C)

12. W. F. McLean, President, Canada Packers Ltd., is reported to have told your Commission his company purchases its cattle on "what-ever system producers want, whether through terminal auction, country auction or direct purchases."

13. He is the only Canadian farmer as far as we know who has expressed the philosophy of his company as being to buy as cheaply as possible and sell as much as possible. The times existing market alternatives by which he might be better accommodated these objectives admirably from the company's point of view.

14. Mr. McLean is reported to have expressed the view to this Commission that government stabilization of the beef industry is not compatible with relatively free trade arrangements with other markets, particularly the United States, and added, "What's more, I'm not sure it's desirable. If you start to stabilize income in the beef industry, you have to devise a mechanism for regulating output." (Winnipeg Tribune, March 26, 1975).

15. It may be fitting to recall at this time that the 1961 Report of the Restrictive Trade Practices Commission had some rather interesting observations to make respecting the Meat Packing Industry and the so-

https://archive.org/details/31761119702546
Ltd., about which it stated as follows on page 427 of its Report:

4. Acquisition of Calgary Packers Limited and Wilsil Limited by Canada Packers

From the review of evidence of market actions by Canada Packers which has been given in earlier chapters of this report it is clear that the Calgary and Montreal markets were considered by Canada Packers to be subject to competitive activity on the part of independent packers which Canada Packers found difficulty in influencing on a leadership basis and employed various forms of competitive behaviour on its part to meet the situations which arose from time to time. Calgary Packers was one of the principal independent packers operating in Alberta and it was also engaged in supplying meat for sale in Montreal and Vancouver. Wilsil Limited, with its plant in Montreal, bought hogs in Quebec and also some cattle, but it also made considerable purchases of cattle in Western Canada which were shipped to Montreal for slaughter. Wilsil Limited also did a considerable amount of custom slaughtering for independent packers in Montreal. Wilsil Limited distributed meat products not only in the Province of Quebec but also in the Maritime Provinces.

The evidence in the inquiry makes clear that in the case of hogs the price on the Calgary market establishes the basis for all transactions in hogs throughout the Province of Alberta. The price on the Montreal market plays much the same role for the Province of Quebec and also for the Maritime Provinces. The price of hogs on the Montreal market, at times, has had an important influence on the price of hogs at other markets in Canada and the cattle price at Calgary has also been an important factor, at times, in influencing the price of cattle at other markets.

Both Calgary Packers and Wilsil Limited made considerable proportions of their livestock purchases on public markets. Their acquisition by Canada Packers removed two independent buyers from principal markets. In the case of Wilsil Limited its purchases of live cattle have been reduced drastically since its acquisition by Canada Packers under the technique of supplying the Montreal market with beef that is killed in the West (Hearing, p.1588).

It is the opinion of the Commission that the acquisition of Calgary Packers Limited and Wilsil Limited by Canada Packers significantly lessened the competition previously existing in the trade in livestock on the markets where the purchases of Calgary Packers and Wilsil Limited were made, and because of the inter-relationship of markets could be expected to lessen the competitive effect resulting from such independent buying on Canadian livestock markets generally. It also appears to the Commission to be likely that competition in the distribution of meat products was also lessened as a result of such acquisitions.

16. The Recommendations of the Commission were:

6. Recommendation

In the circumstances the Commission recommends that the possibility of seeking a court order under section 31(2) of the present Combines Investigation Act be fully explored for the purpose of dissolving the mergers of Calgary Packers Limited and Wilsil Limited

with Canada Packers. In the event that it is determined that such a remedy can not be sought the Commission would recommend that the possibility of seeking a court order under Section 31(2) be fully explored for the purpose of prohibiting Canada Packers from making any further acquisitions which would lessen competition in the meat packing industry.

17. The mergers have not been dissolved and we are not aware of a restraining order ever having been issued against the Company.

Mr. McLean was a prominent witness in that investigation.

18. Allan H. Beswick, vice president of Swift Canadian Co. Ltd. of Toronto is reported to have stated he found it "difficult at this time to identify any serious weaknesses" in the Canadian retail beef marketing system. (Winnipeg Tribune, March 26, 1975)

19. Chester Wilcox, meat merchandising manager of Dominion Stores is reported to have said, "I believe the system we're handling beef in now is the best system for handling beef at this time." The company recommended no changes in beef marketing at either the packinghouse or retail level. (Globe and Mail, March 26, 1975)

20. He is reported to have refused to tell what long-term effects on beef prices result from periods when supermarkets promote special prices on beef, or whether the company sells only steer beef because of consumer demand.

21. To return to our original concern respecting the need for the Inquiry, we believe the above examples of reported testimony which purport to represent the views of producers, processors and retailers raise a serious credibility problem for the Commission in the eyes of the general public.

22. Our organization does not share the view that the current beef marketing system is adequate in compensating producers fairly for their production.

23. We have actively encouraged our locals and members to appear before your Commission in order that you might have the direct benefit of the

production and selling experiences and views of beef producers who are actively engaged in attempting to earn a livelihood from beef production.

24. Our second concern relates to the depth to which the Inquiry itself will investigate the beef industry.

25. One press report (Globe and Mail, March 26, 1975) refers to testimony of Chester Wilcox of Dominion Stores in which he refused to provide information with respect to which supermarket chain in the Montreal market set retail prices more often than any other. We suspect members of this Commission have their own ideas on the question, but this and other similar information must be identified publicly if the Commission is to produce a credible report.

26. The relationships between the retail price leader in Montreal and the processor trade which apparently ships western beef carcasses to Montreal before a price is established must certainly be of interest to this Commission. Canada Packers appears to figure prominently in this practice according to the 1961 Report.

27. It must be the objective of this Commission to have publicly identified as fully as possible all trade practices relevant to the Montreal market and determine whether further judicial investigations to probe possible monopoly control and restraint of trade are required.

28. It is a matter of interest to observe that neither packinghouse companies nor retail chains have expressed any form of concern over this type of trading arrangement.

29. Our organization wishes to have this type of trade practice fully exposed to assess the impact of it to the prices paid to producers for their product.

30. It is of interest that the weighted mean price of retail beef as reported by the Food Prices Review Board for March-April, 1974,

indicates the Toronto-Montreal markets for retail beef were lower than in western cities from which beef was shipped to the east.

Table I

Average Retail Beef
Selling Prices, Seven
Cities, March-April
1974

	Weighted Mean Price All Chains	Price Range		Range
		High	Low	
	\$	\$	\$	¢
Edmonton	1.39	1.57	1.34	23
Calgary	1.37	1.44	1.35	9
Winnipeg	1.42	1.49	1.34	15
Toronto	1.34	1.44	1.28	16
Ottawa	1.41	1.50	1.28	22
Montreal	1.36	1.51	1.26	25
Halifax	1.40	1.46	1.30	16

Source: Food Prices Review Board

31. What are the facts with respect to advertising credits and costs in the merchandising of meat which was not answered by Allan H. Beswick of Swift Canadian Co. Ltd. of Toronto as reported in the March 26 edition of the Toronto Globe and Mail?

32. Is there a relationship between the western carcass trade with the Montreal market and the wholesale-retail meat distribution system currently being investigated by a Quebec Crime Commission?

33. Another press report (Regina Leader Post, May 14, 1975) states that Tom Norwood of Montreal, CN's market manager for food and agricultural products, would not tell this Commission what profit the

railway makes on shipment of meat to eastern Canada from Alberta nor whether the railway prefers to carry live or dressed meat.

34. If this Commission is not to have available all the facts respecting the beef industry, its possible conclusions and recommendations will, of necessity, be based on incomplete and inadequate information.

35. It is our belief that many of the problems in marketing and pricing which have been experienced by beef producers come as the result of the complex and clandestine role being played by the large multinational packinghouse corporations and retail chains. They, in turn, are only part of the larger international economic community with their private economic planning systems over whose decisions we, as farmers and citizens, have no control.

36. While we cannot claim to be able to present a fully definitive analysis of the total complex livestock economy, it is nonetheless important for this commission to attempt in some degree to concentrate on causes and possible solutions to the problems facing producers rather than to dwell on symptoms.

37. To be more precise, we regard as symptoms of the problems facing beef producers to include such matters as:

- 1) The unjustified low prices for certain lower grades of cattle as compared with the price relationships to top grades.
- 2) The wide spreads that have of recent times prevailed between the prices of steers and heifers of similar quality.
- 3) The inability of consumers to adequately identify and justify the price relationships between various cuts and kinds of meat to the prices received by producers.

- 4) The implied existence of a surplus of beef in Canada when in reality we remain net importers of beef.

(Table 4, Appendix C)

38. The unstable marketing and pricing situation facing farmers is in large measure an outgrowth of the attempts made by the federal government to solve the heavy grain inventory problems of the late sixties through stimulating expanded production into red meats. This stimulation has been actively encouraged by provincial governments as well.
39. It is often difficult to identify the motives of government programs which express the desire to assist lower and middle income farmers to improve their economic positions; to materially assist young farmers in becoming established in farming or to maximize proper use of land resources. However, there are occasionally other considerations extended by governments to justify such programs.
40. Expansion in meat production is functional to the expansion of the meat packing industry and urban employment opportunities created as a result in the processing and related service industries. This is often a foremost consideration of federal and provincial programs although less publicly discussed or understood.
41. In the absence of meaningful order in the marketplace or price guarantees to farmers, which provincial treasuries are usually unable to adequately provide for, the main burden of financial risk resulting from erratic market behavior is assumed by primary producers. Their vulnerability to the possibility of suffering heavy losses contributes to their possible bankruptcy and instability of production.
42. This factor was recognized by all four western provincial governments in the extension last winter of interest-free loans to cow-calf operators to avoid total collapse of the beef production industry.

43. The encouragement of beef cattle production through the diversion of lands from grain production to grassland was high on the priority list of the Federal Task Force outlined in its report, "Agriculture in the Seventies".

44. While federal politicians insisted that the views outlined in that report were strictly those of the Task Force itself without commitment on the part of the government to implement its recommendations in whole or in part, it is more than coincidence that by far the greater number of major federal policies enacted since the release of the report in early 1970 run a close parallel to its recommendations.

45. The situation today in beef is a haunting reminder of the Federal Government's LIFT program which was a major recommendation contained in the Task Force Report.

46. Operation LIFT was a recommendation allied to the Task Force's views on future prospects for beef production in Canada, about which it stated in part as follows:

- . *World demand for beef will continue to rise more rapidly than supply and world prices will be strong. Most of the projected deficit will occur in North America.*
- . *There is a need to find some alternative use for at least 10 million acres of Prairie land which must be removed from wheat production.*
- . *Governments and producers should accept as a target the export of 500,000 feeder cattle per year by 1980 and the production of enough beef and veal to meet Canadian consumption demands in full.*
- . *Dairy farmers in Quebec and Ontario should consider carefully the desirability of retaining calves which are now sold at low weights in order to produce heavier veal animals or feeders.*
- . *The Federal Government should direct some of the funds currently made available through the Temporary Wheat Reserves Act for payments to encourage diversion of resources from grain to cattle production.*
- . *The Canadian Dairy Adjustment Commission should provide positive incentives for milk producers to move into beef production.*

- . *Per capita Canadian consumption of beef will rise in 1980 to at least 100 pounds per capita (compared with 87 pounds in 1968) and could reach 110 pounds. Veal consumption will average 6.9 pounds, compared with 6.4 pounds in 1968.*

47. The Task Force forecasts and recommendations are now thoroughly discredited, just half way to the target date of 1980.

48. Some underlying causes which have contributed to the intolerable marketing and pricing conditions which beset beef producers are not created by meat surplus but by:

a) The failure on the part of federal and provincial authorities to adequately recognize that stimulation for growth of the meat industry would trigger in the short run high market demand and prices for breeding and feeder animals.

b) An assumption that the availability of cheap feed grains of the late sixties and early seventies would continue indefinitely and that the open marketing of feed grain could best serve the interests of meat producers.

c) The failure to understand consumer reaction to rising meat prices particularly for beef as more animals held back on farms for breeding stock resulted in short-term inflationary market pressures for finished cattle and declines in per capita meat consumption.

d) The present market system for cattle is oriented to favour processors and the retail trade. Price instability exists because market prices bear no relationship to production costs and market imperfections and distortions caused by such things as strong feed grain prices created by world conditions and the impact of heavy imports into Canada of U.S. slaughter cattle in 1973 and early 1974 resulted in falling market prices for slaughter cattle. This Commission would do well to determine who are the major importers of beef into Canada at critical times and the impact of such imports on Canadian beef producers.

e) The ad hoc beef subsidy program of 7¢ per lb. for A 1-4 slaughter cattle introduced March 18, 1974, was subsequently largely ripped off by packing companies. Price spreads between top grade steers and heifers reached intolerable and inexcusable levels.

f) The pressure of heavy financial losses experienced by the producers of slaughter cattle since spring of 1974 resulted in sharp drops in prices and demand for feeder cattle. Cow-calf operators geared to meet the needs of what was supposed to be an expanding industry were left "holding the bag". They remain in economic difficulty to this day. (See Appendix B). What is sacred about a market system that has victimized beef producers so severely that many have gone out of beef production? Whose interests are served by such a system? What is sacred about a marketing system which pays a producer an arbitrary price for beef animals which is unrelated to and does not necessarily reflect official government quality grades?

49. The current concepts of beef stabilization as visualized under Bill C-50, amendments to the Agriculture Stabilization Act, too, are unrealistic, in our view, in providing price stability to beef producers.

50. The beef stabilization program was announced last August 2 and is operational in a fiscal period of one year ending August 11, 1975, even though it is not yet law.

51. The guaranteed support price was set at \$45.42 per hundredweight basis A1 and A2 steers and heifers marketed at Toronto, Calgary and Winnipeg. If at the end of the 12 month period, the national average price for A1 and A2 steers and heifers weighted for volumes of sales at these markets is below \$45.42/cwt., the federal government will make a direct payment to producers on eligible cattle -- which an August 29, 1974 press release of Agriculture Canada explains will

include payments on "all eligible A, B and C cattle".

52. In the first nine months of this program the average weighted price for A1 and A2 steers and heifers was \$43.59 with the months of January, February, March and April all below the support price of \$45.42/cwt.

Table 2

Agricultural Stabilization Beef Program

	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>
Nationally Weighted Average	48.36	48.24	47.74	48.38	46.61	42.69	37.87	37.92	39.35

Source: Canada Livestock and Meat Trade Report, May 15, 1975.

53. Will beef producers who have suffered serious market losses in the marketing of their livestock recover any of these losses from the Stabilization program?

54. No one knows, but it is predictable that if current stronger price levels prevail in the three months remaining in the current fiscal period, the weighted price will recover from the current indicated deficiency of \$1.83/cwt. The losses of earlier marketings will be borne by producers. It will have done nothing to erase instability.

55. The beef stabilization program as presently structured is, in our view, largely a numbers game.

56. Consider for example the following facts:

57. Since August, average monthly heifer prices on the Calgary and Winnipeg markets have never been above the support level of \$45.42, and only in September, October and November on the Toronto market.

Table 3

Average Monthly Prices, A 1, 2, Slaughter Steers and Heifers

August 1974 - February 1975

	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>
<u>Calgary</u>								
Steers	49.01	48.68	47.75	50.35	48.44	43.11	37.12	37.21
Heifers	40.62	43.64	42.97	43.19	40.42	36.34	34.80	34.38
<u>Winnipeg</u>								
Steers	52.07	49.77	47.78	50.25	48.20	44.27	38.26	36.73
Heifers	40.11	41.75	42.37	42.11	40.13	36.79	34.23	33.38
<u>Toronto</u>								
Steers	52.77	51.91	49.88	53.32	50.97	48.45	41.58	39.94
Heifers	43.93	46.50	45.89	47.10	43.14	40.52	38.04	36.33

Source: Canada Livestock and Meat Trade Reports

58. The stabilization program will do nothing to correct the extremely wide and unjustified steer-heifer price disparity that appears to have become a regular phenomenon in 1974 and is continuing in 1975.

59. The basis for considering the Toronto, Winnipeg and Calgary markets as proper for determining the national average weighted price is highly suspect.

60. The Toronto market price is traditionally the highest in the country for both steers and heifers and accounted for 58.7 per cent of marketings in the three markets for A1 and 2 steers and heifers in the first eight month period of the program.

61. The weighting formula is distorted by the Toronto price since lower prices realized on 5 prairie markets are ignored.

62. These markets, including Lethbridge, Edmonton, Regina, Saskatoon and Prince Albert recorded handlings of 47,202 A1, 2 steers and heifers in the 8 month period or 19.2% of total public marketings of this class of cattle.

63. If marketings through these five yards were included as part of

the national weighted price formula, Toronto would account for only 47.4 per cent of A1, 2 steer and heifer marketings in the first eight months of the current stabilization program.

64. Heifers grading A1 and 2 accounted for 73,481 or 36.9 per cent of the total eight month deliveries of 198,941 A1 and 2 steers and heifers on these three markets. The Toronto market handled 64.8 per cent of all A1 and 2 heifer marketings on these three markets. Since the Toronto heifer price is from \$3 to \$5 higher than the Winnipeg or Calgary price, the influence of lower western heifer prices on a national weighted average price is less pronounced through exclusion of the five markets in question.

65. If all seven western marketings were included as part of the national average weighted price, Toronto marketings of A1 and 2 heifers would account for only 51.7 per cent of total heifer marketings.

66. Bearing in mind that the Minister of Agriculture Eugene Whelan in March, 1974 used a break-even figure of \$52.00 per cwt. for top grade slaughter steers, it is evident that both the level of stabilization and the concepts of its implementation are grossly inadequate.

67. While there are those who debunk as unnecessary any kind of support for beef cattle, we are not aware of even the most rabid free enterpriser who fails to take full advantage of any form of government subsidy payment if and when it is made.

68. We attribute the present economic problems faced by livestock producers to five basic causes:

- 1) The absence of any real farm bargaining power in the market place to countervail the powerful domination and manipulation of the price setting mechanism by the packinghouse and retail food industry.
- 2) The absence of a properly directed supply management program

to counteract the ability on the part of the packinghouse industry to manipulate prices and supplies through employment of such techniques as direct production contracts, manipulation of supplies between various production areas or through imports in order to exploit farmers for its own ends through the so-called "free market".

3) The continuing absence of meaningful stabilization programs which will assure farmers price guarantees related to production costs.

4) The absence of any meaningful mechanism that can direct its efforts toward expanding our meat trade particularly in beef with other countries in order to diversity our reliance on the U.S. as a principal trading partner for our export sales of meat.

5) The absence of an orderly marketing system for feed grains which is fundamental in establishing a proper price relationship between the costs of inputs and the prices paid to producers for their livestock.

69. Our recommendations to the current problems in livestock pricing and marketing can best be expressed through outlining the livestock policy adopted by our Fifth Annual Convention held in Winnipeg, December 2-6, 1974, and attended by some 600 NFU members, of which a high proportion were livestock producers.

70. The livestock policy adopted by Convention states in part as follows:

1. The NFU endorses the concepts of orderly marketing for livestock and livestock products. Supply management is an integral part of the orderly marketing system but should not be interpreted as inward looking or as recommending overly restrictive production controls.

We believe production must be geared to regulated expansion in order to meet effective market demand and fulfill human needs.

2. The marketing of all feed grains sold commercially in Canada should be regulated by a Canadian Grains Board which would be an extension of the present concepts of the Canadian Wheat Board. Only through such a regulatory agency can a meaningful price relationship be established between the major input costs of livestock production and the prices received by livestock producers.
3. The NFU calls for the organization of a National Meat Authority for the marketing of livestock and livestock products with authority to manage supplies and regulate imports. Inherent in such a National Authority would also be considerations for:
 - a) The transfer of market powers from the provinces to the National Authority;
 - b) The establishment of production targets and the negotiation with each province of market sharing agreements, the regulatory role to be assumed by provincial marketing agencies or marketing powers in cases where agreement of provinces to transfer necessary powers cannot be attained.
 - c) Research programs for export market expansion and the negotiation of trade agreements, as well as the organization of inventory disposal programs, would be necessary areas of jurisdiction for a NMA if price stability is to be achieved.
 - d) Price stabilization programs indexed to reflect production costs and returns to labour and investment would be negotiated between federal and provincial governments and producers as represented by the NFU.

- e) In supply management situations, under no circumstances should quotas be marketable or negotiable between producers. Legislation should exclude chain stores, packing plants, feed companies, and other agribusiness firms from sharing production rights.
- f) The auction method of selling livestock for slaughter should be abandoned including the electronic gimmickry of the teletype auction method.
- g) Grading systems should be improved to more truly reflect the value of animals while retail meats sold to consumers should be clearly identified as to grade and quality.
- h) There should be control over mark-ups by firms handling, processing and retailing meat products.

71. These, in essence, are the concepts of NFU policy recommendations for the restructuring of the livestock marketing and pricing system.

72. We recognize the opposition these suggestions invoke in the minds of some of the so-called "free traders" who vociferously oppose them. However, the free enterprise market system has been repeatedly discredited and proven unworkable in returning just and equitable prices to producers. The vested interest groups in this and other countries who exploit farmers through it are themselves unwilling, in the sale of their productivity, to resurrect a marketing dinosaur that they have long since abandoned.

73. Farmers are traditional risk takers in the food production cycle. These risks are substantial enough in livestock production without abandoning to the whims and fantasies of buyers the arbitrary privilege of dictating price. This simply is not any longer

characteristic of generally accepted sound business practice.

74. Our challenge to this Commission is to examine our proposals for a new direction in beef marketing through bringing about fundamental changes which are obviously necessary.

All of which is respectfully submitted by

THE NATIONAL FARMERS UNION.

Cattlemen tell beef industry probers they want no marketing board, meddling

By THOMAS KENNEDY

Special to The Globe and Mail

CALGARY — Cattlemen

are afraid that governments may introduce regulations and possibly set up a marketing board for the domestic beef trade, citing the depressed state of the beef cattle industry as their reason for intervention.

The Western Stockgrowers Association told the federal Commission of Inquiry into Beef Marketing that producers "will oppose any interference in our business" under the pretext of helping to resolve a situation brought on by the glut of beef on Canadian and other markets.

Neil Harvie, president of the WSA, an affiliate of the Canadian Cattlemen's Association, the umbrella organization for primary producers, said producers "accept the present market conditions as the price to be paid for having a free marketing system."

"It is a temporary problem, although we are not minimizing the adverse impact of conditions on our members.

"The commission ought to

help to tune up the existing system of marketing (essentially by responding to supply and demand considerations) because by and large it serves the purpose" of orderly marketing of the product.

The three-member commission, which has concluded two days of preliminary public hearings following a similar session last week in Toronto, is attempting to find explanations for the apparently contradictory state of affairs in the beef industry.

Producers claim they are losing money on raising beef cattle and argue for substantially higher prices. Intermediaries, such as packers, gave evidence of marginal profits in their operations at a time when many consumers feel that beef prices are too high.

According to Mr. Harvie, producers "are not looking for a new system of marketing and the present bad market conditions have brought about what we see as an exercise of self-analysis to make our industry more efficient."

Government intervention,

whether by regulation or a marketing board, would be counter-productive and "entice new entrants into the business and not promote efficiency," he said. As it is, cattlemen say, producers "do not get anything extra for turning out an efficient (high-meat content) animal."

Another WSA spokesman cautioned that the provinces that might do something for their own cattlemen could "create a domestic war with subsized cattlemen in one province battling the treasury of another province. Whatever is contemplated for this industry, it should be on a uniform scale across Canada."

As stated in earlier submissions, cattlemen would only consider a minimum stop-loss scheme of governmental fiscal assistance and rejected all incentive and insurance proposals.

The cattlemen said "meddling" by governments in the cattle and the agriculture industry is responsible for some of their predicaments, and any extension of governmental presence in the business

"would only make matters worse."

"Government action taken, so far, has blunted the market signals and it is responsible for the present (beef market) conditions," the spokesmen charged.

They singled out "unreliable government forecasting (mostly from the federal level) projecting an unlimited future for beef producers, especially in the export field, that has not materialized to any extent and programs (in Alberta) to encourage people to get into the beef business" by offering provincial loans at the time when producers would like to see fewer livestock operators.

"We have a deep-seated distrust of all governments making decisions for us," cattlemen told the commission. They said governments should attend to specific tasks that could assist cattlemen in a positive fashion.

They cited the recent increase in rail freight rates that has made it more attractive to send live cattle to markets in Eastern Canada. Producers favor a greater degree of processing in Western Canada and have argued that transportation charges should permit preparation of more of the dressed beef and fabricated (cut up) meats on the spot.

Crow's Nest Pass freight rates have penalized beef producers to the tune of 40 cents a bushel in extra charges on feed grain shipments. The WSA has asked for a suspension of these rates on domestic feed grain movements or the establishment of a futures market in feed grains in Alberta to rectify the discrepancies.

The cattlemen urged the commission to recommend to Ottawa changes in federal taxation of producers. This, they said, would be "superior to any ad hoc subsidy scheme."

They proposed the "capital herd concept," in practice in the United States. This puts an investment value on cattle and provides the same kind of tax treatment for livestock as for most other capital investments.

Other recommendations included tax provisions to ensure the transfer of the family farm as a viable economic unit to children who intend to carry on the operations and the spreading of the averaging period for tax assessment beyond the current five years.

Higher retail prices asked by cattlemen

LEADER POST April 2/75

By JOE MA

CALGARY (CP) — Higher retail prices, reduced government intervention, freer movement of cattle across the U.S. border and correction of transportation inequities were advocated Tuesday by beef industry representatives before a federal commission.

The commission was appointed in January to conduct public hearings across Canada on the various aspects of beef marketing, including why "prices being paid by consumers for beef and veal seem to be high in relation to producer returns."

The Canadian Cattlemen's Association, (CCA) while calling for retail price increases, said Canadian cattlemen do not want unnecessary government intervention in marketing. However, the association said an investigation should be made on the Montreal market.

Gordon Parke of Cache Creek, B.C., CCA president, and John Nielson, president of Burns Meats Ltd. of Calgary, said despite the cost of shipping, beef could often sell in Montreal at lower prices than in western Canada.

Mr. Nielson told commission chairman Maxwell Mackenzie of Ottawa and members Lydia Patry-Cullen of Montreal and Hu Harries of Edmonton:

"Montreal is the largest market for western beef. Trade practice is to slaughter and ship most of the beef to Montreal before the selling price is determined. This puts the seller at a decided disadvantage."

Mr. Parke said "a most peculiar arrangement" exists be-

tween the Montreal-based wholesale trade and western packers, whereby the freight rates become progressively lower when larger loads of western beef are shipped east. For example, the freight from Calgary is \$5.58 per 100 pounds on a 36,000-pound load, but \$4.55 on a 60,000-pound load.

"The wholesalers in Montreal have successfully institutionalized an arrangement whereby they automatically receive a payment of 75 per cent of the savings associated with this reduced rate," Mr. Parke said.

Jim Wilfley, president of Lakeside Farm Industries Ltd. of Brooks, Alta., said there is a "freight differential of \$1.51 per 100 pounds live cattle versus dressed, west to east."

Plus the effects of the Crowsnest agreement on statutory grain shipping rates, "I can take my live cattle and my feed grown at Brooks, ship them to Ontario, feed them out and slaughter and make more money than I can in Brooks," Mr. Wilfley said.

Mr. Nielson said one of the problems leading to a low level of efficiency and consequently higher production costs—ultimately passed on to the consumer—is the "serious over-capacity" in western Canada, where 85 per cent of the nation's beef cows are located.

This is especially critical in Alberta. "At present this province probably has 50 per cent excess capacity for beef and 75 per cent excess capacity for pork," Mr. Nielson said.

Mr. Parke said while the existing marketing system could be improved, the associ-

ation is "opposed to any major structural or philosophical changes in our current marketing practices." The association wants no marketing boards or other "legislated supply controls."

"It is moreover a policy of the CCA that the Canadian beef industry should be an integral part of the North American cattle and beef market," the CCA brief said. "Accordingly we must not create a market system that in any way impedes the movement of cattle or beef north and south, across the border."

However, Charles Gracey, CCA general manager in Toronto, qualified the statement by saying that as the U.S. industry is 10 times as large as Canada's, "absolute free trade must be regarded as an inappropriate posture."

The association is proposing a system of escalating tariffs, whereby a maximum of 48,000 head of U.S. cattle could enter Canada each year at a tariff of 1.5 cents a pound, versus a maximum of 400,000 head in reverse direction. Canadian tariffs on U.S. cattle should escalate progressively as the numbers increase.

Mr. Wilfley said the federal government "should not be involved in our industry in any way that will distort the signals from the marketplace."

"I believe we in Canada must work in a North American or world beef market. We have the potential to produce more than our own requirements at competitive prices, and we should exploit the world market through free trade."

End to quotas, tariffs on U.S. beef proposed

Globe & Mail MAR 26/75
By JAMES RUSK

the quotas on cattle and of moving from the United States to Canada should be ended and tariffs eliminated, according to Dominion Stores of Toronto.

The United States should be encouraged to do the one thing in the opposite direction, the company said in a brief to the Commission of Enquiry into the Marketing of Beef.

The recommendation was one of 13 proposals the company made to the commission, which has held two days of preliminary hearings in Toronto and will hold two in Calgary.

Dominion Stores, one of the major companies invited to make presentations in the Toronto round of hearings, dictated most of its recommendations to beef producers and the practices they should follow to improve the marketing of beef and veal in Canada. For example, the supermarket chain suggested finishing heifers to higher weights and developing feeding programs to bring veal to market with lighter color.

But when it got closer to home, the company had little to say. It recommended no changes in beef marketing at either the packinghouse or retail level.

And when commissioner Hu Harries asked Chester Wilcox, meat merchandising manager of Dominion Stores, whether the company had any recommendations on policy at the retail level, Mr. Wilcox replied: "No, I believe the system we're handling beef in now is the best system for handling beef at this time."

When commissioner Lydia Patry-Cullen asked if Mr. Wilcox could identify any weaknesses in the marketing system, he said: "Not in retail. That's the only thing I know." In contrast to the opening session, the commissioners' questions were more pointed and they pressed harder for answers from company representatives.

Mrs. Patry-Cullen, for example, wanted to know what the company's retail pricing policy is. Mr. Wilcox said prices set by competitors were the major factor in determining Dominion Stores price levels.

But he would not say, no matter how hard she pressed him, which supermarket chain set retail prices in the Montreal market more often than any other chain.

All he would say was that Dominion was one of the major chains in the Montreal market and a price leader in the market.

Nor would he tell Mrs. Patry-Cullen what long-term effect on beef prices results from periods when supermarkets appear to be trying to outdo each other in promoting special prices on beef.

He also avoided a direct response about whether the company sells only steer beef because of consumer demand.

Rather, he explained, handling only steers, preferably in a narrow 600-pound carcass weight range, allows the company to set prices across its stores on a consistent and know-cost basis in handling steer rather than heifer carcasses. Heifer carcasses would have different yields—probably 3 to 4 per cent less in retail cuts—when processed by the company's butchers than steer carcasses would. It was claimed at the hearing that Dominion is the only supermarket chain that handled only steer beef.

Mr. Wilcox conceded that the consumer making a beef purchase cannot tell whether the cut comes from a steer or a heifer carcass.

He also indicated that there is no profit in beef retailing at present. Data presented in the Dominion Stores brief showed that in the week ended March 8 in the Toronto market the company realized a total mark-up of \$20.68 on a 289-pound beef side that cost \$205.19, a 9.16 per cent retail margin.

In a position similar to that taken by Mr. Wilcox, Allan H. Beswick, vice-president of Swift Canadian Co. Ltd. of Toronto, said, when asked by Mrs. Patry-Cullen about weaknesses in the system: "I find it difficult at this time to identify any serious weaknesses."

In its brief, Swift said

there are only two general weaknesses in the system.

"In meat packing, the competitive nature of the business, perishability of the product and long distance to some markets may, at times, adversely affect earnings and cause inefficiencies and distortions in the system."

And, "when changes occur in the beef system due to cost of inputs, demand or government action, Canadians tend to respond in an emotional way."

When asked by Dr. Harries about emotional responses, Mr. Beswick used as an example the heavy purchases of meat for home freezers in August, 1973, when beef prices were peaking at record levels.

But Dr. Harries interpreted that event differently.

Consumer behavior at that time would "indicate they reacted in the absence of the best information we could give them," Dr. Harries said. "In a free market system, if you do not have adequate accurate information in the

hands of the people who make the decisions, the system will not function."

Dr. Harries also questioned Mr. Beswick closely on whether the value of the by-products in beef packing—the bones, tallow, hide and the like—covers the cost of processing.

Mr. Beswick agreed that most of the time in the past four years this was true but, on occasion recently, it has not been.

Mrs. Patry-Cullen, a former director of advertising for Steinberg's Ltd. of Montreal, questioned Mr. Beswick on the company's involvement in advertising and promotion by food retailers.

Mr. Beswick said the company does not advertise beef through joint programs with the industry, but, in the case of meat products such as wieners, on which the company label appears, retailers earn credits on the volume of purchases they make from Swift. They can use these credits to

offset the cost of advertising and promotion campaigns that feature Swift products.

But he did not answer directly when she asked him if the company had the power to look at the real cost of advertising to the food retailer to check whether the credits were actually being expended on its behalf.

"Do you believe you are getting the corporate advertising you are paying for?"

Or does the chain run advertisements that feature enough products for which it earns credits from suppliers so that advertisements "could make a rather large profit for the retail chain," she wondered. Indeed, she asked, does the credit system generate enough revenue for the retail chain so it would never need to include advertising as a cost of doing business? (In the Monday hearing, Loblaw's Ltd. of Toronto presented a brief that did not list advertising as one of its costs of retailing beef.)

Mr. Beswick answered by saying that Swift has never called its program a co-operative advertising program, but has come up with various names from year-to-year as part of its merchandising techniques. "I can't say whether there's an overlap (of credits that would more than cover the cost of the advertisement)."

When Mr. Beswick defended the marketing system, saying that influences outside the system are often responsible when some segment of it is not profitable, Mrs. Patry-Cullen asked him if advertising could be an outside influence.

She noted that "extra-super advertising on special items, forcing them down the throat of the consumer, is what I call an outside influence in your—I should say our—free enterprise system."

But, Mr. Beswick defended advertising by saying "no one says 'thou shalt eat that baloney'."

Beef commission hears merits of heifer and steer meat argued

TRIBUNE MAR 26/75

TORONTO (CP) — Dominion Stores Ltd., the country's biggest supermarket chain, Tuesday denied an allegation that it unnecessarily is pushing up food bills by selling only top-quality meats.

The allegation was made by Lydia Patry-Cullen, one of a three-member federal commission making inquiries into beef marketing. The commission was initiated following consumer protests against rising beef prices and producer complaints that their returns are too low in the face of rising feed costs.

The Montreal marketing consultant asked why cheaper but equally nutritious heifer meat isn't sold alongside prime steer beef at Dominion's 400 stores.

The cost of heifer beef would be between three and four per cent lower than from steers, commissioner Hu Harries, an Edmonton economist, said.

Chester Wilcox, Dominion meat merchandising manager, replied that his company sells only steer beef because its quality is consistent, unlike the quality of heifer beef. And Dominion sold its steer beef at the same price its competitors sold a mixture of steer and heifer beef.

Dominion also filed a breakdown of costs and retail prices of all types of beef which appeared to substantiate previous industry claims that there is little or no profit under current beef price levels.

During the week ended March 8, Dominion bought a side of beef at 71 cents a pound and sold it at an average of 78 cents a pound, the statement said.

On Monday, during the commission's first day of operation, Canada Packers and Loblaw's Ltd. were heard.

Canada Packers President W. F. McLean told the commission the company purchases its cattle on whatever system producers want, whether through

terminal auction, country auction or direct purchases.

Responding to a commission question, he also said government stabilization of the beef industry is not compatible with relatively free trade arrangement with other markets, particularly the United States.

"What's more, I'm not sure it's desirable," he said. "If you start to stabilize income in the beef industry, you have to devise a mechanism for regulating output."

Loblaw's brief was not made public but vice-president David Bone said that if cattle prices are 50 cents a pound, it costs the store \$1.17 a pound, across the whole carcass, to put beef in the retail counter without any profit being made.

The commission, headed by Maxwell Mackenzie, former deputy minister in the department of trade and commerce and defence production, will hold hearings across the country during the next 2½ months.

"Part of our inquiry will . . . study the various systems used for other commodities in Canada and the different livestock systems in other countries to see if there is anything we can learn from them that would be helpful in the marketing of beef and veal in Canada," he said.

Dominion also recommended to the commission that quotas on cattle and beef moving from the United States into Canada be lifted and tariffs eliminated.

The U.S. should also be encouraged to do the same thing, the company told the commission, which ended two days of preliminary hearings Tuesday.

Allan H. Beswick, vice-president of Swift Canadian Co. Ltd. of Toronto, said he found it "difficult at this time to identify any serious weaknesses" in the Canadian retail beef marketing system.

He did say, however, that Canadians respond emotionally when beef prices are raised.

Railway expert refuses to reveal profit levels

L/P MONTREAL 14/75

EDMONTON (CP) — A Canadian National Railways witness would not tell the federal inquiry into beef marketing what profit the railway makes on shipment of meat to eastern Canada from Alberta.

Tom Norwood of Montreal, CN's market manager for food and agricultural products, Tuesday told Hu Harries, one of the inquiry commissioners, he was "not sure that we can tell you that."

Nor would he tell Dr. Harries whether the railway prefers to carry live or dressed meat.

Mr. Norwood was one of six witnesses appearing before the inquiry's three members during the second and final day of hearings here.

He told Dr. Harries it costs \$4.77 for each 100 pounds to ship dressed meat to Montreal and Toronto from Edmonton, compared with \$3.95 a hundredweight to ship live cattle.

Mr. Norwood told the inquiry that transportation costs in the beef industry are not usually treated as a cost of production as they should be.

He said the cost of railway equipment is a factor in setting rates. Cars used to ship live cattle were considerably less expensive to build and maintain than the refrigerated cars needed to ship processed meat.

In an exchange with Perry Cowan of New Norway, Alta., a National Farmers' Union local representative, commissioner Lydia Patry-Cullen of Montreal said the NFU was "dreaming" if it expected provinces to give up their powers to a proposed national meat authority.

"I've never met so many separatists as I have in Alberta," she said at one point.

Later, she told a reporter she "shouldn't have said that, but it came from the heart."

Both Dobson Lea, president of Alberta's Unifarm, and Sten Berg of the Alberta Export Agency told the inquiry improved market information is necessary in the beef industry.

Mr. Lea said any market system functions best at both the producer and consumer level when buyer and seller have equal access to information.

Mr. Berg said packing plants should be required to provide daily market information on all direct sales of slaughter cattle and on prices paid, "to remove manipulation from the market."

Hugh Scott of Fairview, Alta., who told commissioners he has been in the beef business since 1918, urged abolition of federal programs that encourage livestock production.

"Incentives to produce more cattle are a boon to the consumer but a detriment to producers," he said, because incentive programs resulted in overproduction.

He also said there is a need to encourage more young men to enter livestock production.

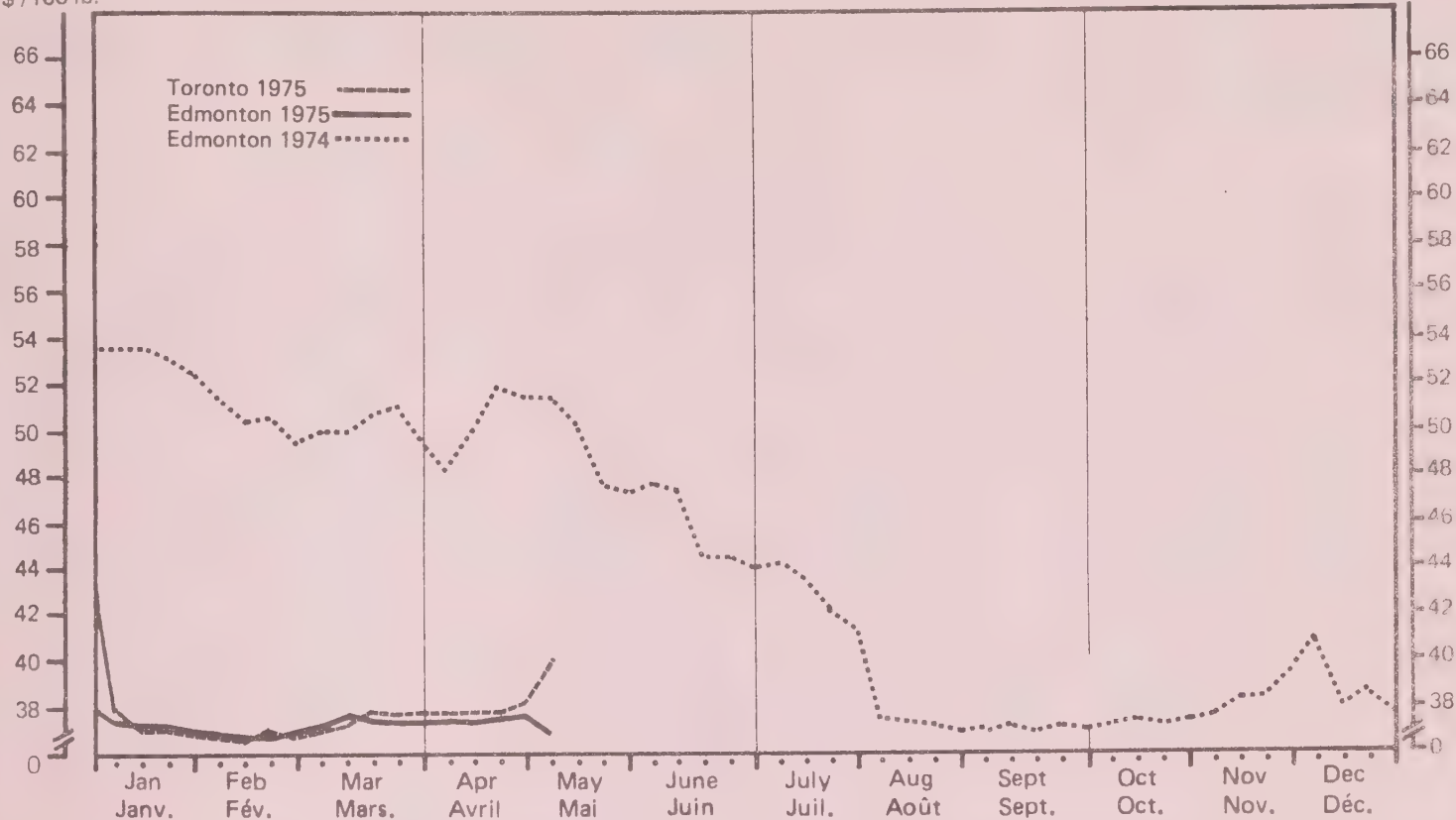
Mrs. Patry-Cullen asked: "Why not more young women?"

"Because it's hard to get them to throw bales," Mr. Scott replied.

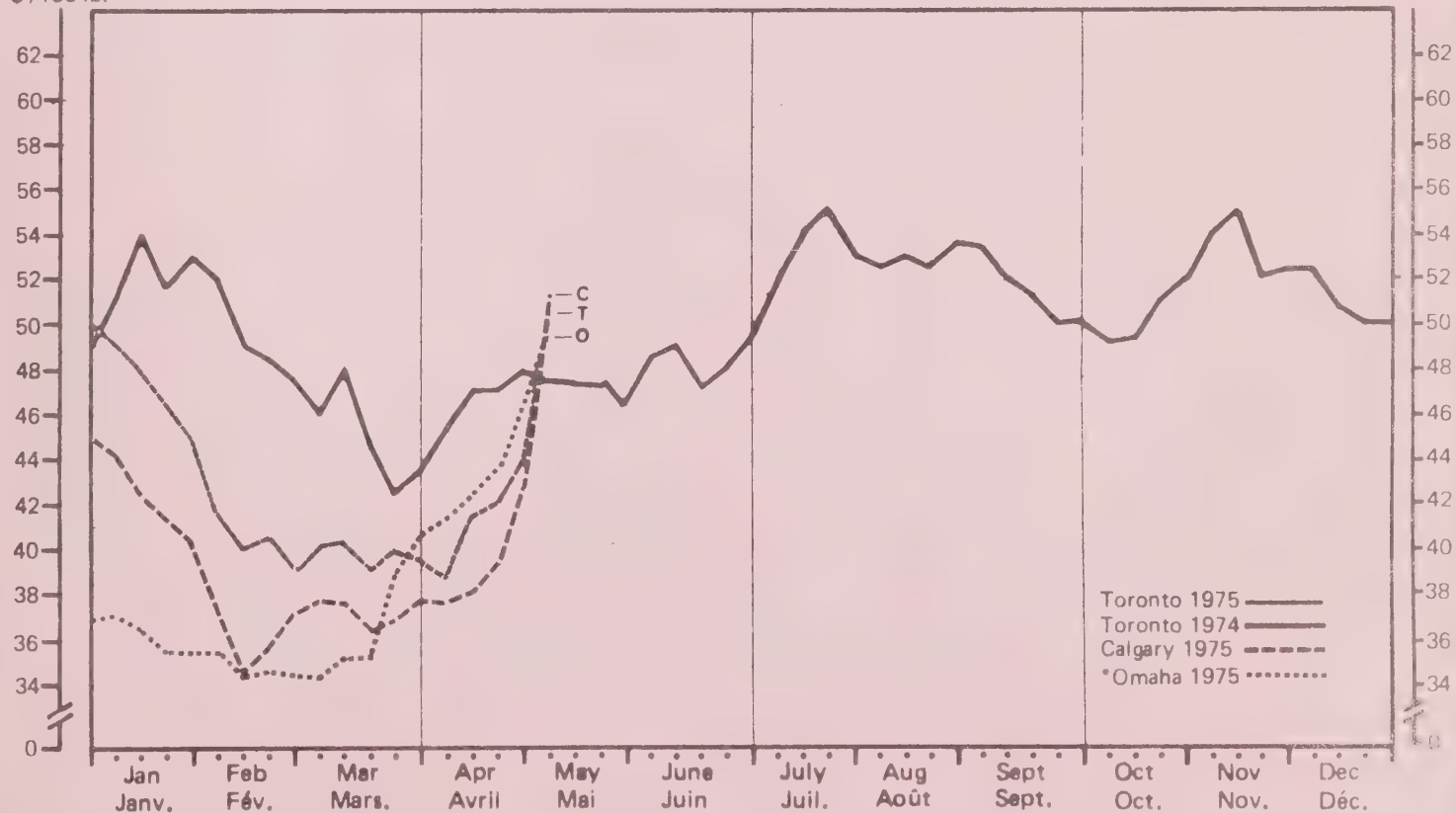
The commission, headed by Maxwell MacKenzie of Ottawa, was to move to St. Paul, Alta., Tuesday night; Lloydminster, Sask., today; Stettler, Alta., Thursday and Innisfail, Alta., Friday before meeting May 25-27 in Calgary.

Agriculture
Canada

FEEDER CALVES 401-575 LBS. VEAUX D'ENGRAIS 401-575 LBS

\$ per cwt.
\$/100 lb.\$ per cwt.
\$/100 lb.

A1, 2 SLAUGHTER STEERS BOUVILLONS D'ABATTAGE A1, 2

Agriculture
Canada\$ per cwt.
\$/100 lb.\$ per cwt.
\$/100 lb.

*Choice Steers *Bouvillons de choix

APPENDIX "C"

Table 1 Canada: Slaughter Cattle Imports from U.S., 1966 to date

	<u>Quarters</u>				Year
	I	II	III	IV	
1966	487	--	--	7,242	7,729
1967	3,414	93	1,946	18,551	24,009
1968	1,151	--	25	40	1,216
1969	--	245	27	36	308
1970	914	102	--	52,442	53,458
1971	36,205	8,778	1,569	8,996	55,548
1972	5,058	24,910	2,843	31,192	64,003
1973	4,015	6,487	53,733	144,304	208,539
1974	63,677	2,816	9,875	32,839	109,207

Source: Agriculture Canada, Market Information Section

Table 2 Canada: Slaughter Cattle Exports to the U.S., 1966 to date

	I	II ..	III	IV	Year
	<u>Number</u>				
1966	6,576	7,029	18,753	7,222	39,580
1967	1,020	1,227	4,505	5,273	12,025
1968	10,368	12,577	6,055	6,279	35,279
1969	7,530	3,556	5,193	10,257	26,536
1970	4,753	4,966	4,886	2,752	17,357
1971	3,278	3,572	3,001	1,495	11,346
1972	1,761	2,340	2,931	3,735	10,767
1973	3,911	5,454	4,238	2,543	16,146
1974	3,744	1,699	859	1,865	8,167

Source: Agriculture Canada, Markets Information Section

APPENDIX "C"

Page 2

Table 3 Canada: Exports of Feeder Cattle, 1966 to date 200-700 lbs.

	I	II	III	IV	Year
1966	58,106	23,196	47,023	153,970	282,295
1967	4,448	1,043	30,512	83,895	119,898
1968	16,355	11,938	26,279	58,168	112,740
1969	3,217	2,570	1,736	6,222	13,745
1970	268	380	1,820	4,556	7,024
1971	1,047	1,165	3,589	11,284	17,085
1972	1,114	1,696	3,653	54,141	60,604
1973	36,768	48,772	31,135	17,935	134,610
1974	10,927	1,134	595	2,072 ^{1/}	14,728

^{1/} Estimated

Table 4 Canadian Imports and Exports of Beef 1965-1972

	Beef Imports			Beef and Veal Exports		
	U.S.	Oceania	Total	U.S.	Other	Total
	million lbs.			million lbs.		
1965	12.4	4.8	17.2	72.0	10.7	82.7
1966	16.8	6.7	23.6	56.4	5.8	62.2
1967	20.7	13.4	34.5	25.0	4.2	29.2
1968	16.5	17.3	33.9	47.5	6.2	53.7
1969	14.2	104.1	118.4	45.9	5.0	50.9
1970	15.5	128.6	144.1	83.5	7.7	90.2
1971	29.7	85.9	115.6	80.4	6.6	87.0
1972	38.3	106.3	144.5	58.8	8.8	67.6
1973	42.6	115.5	167.2	56.5	9.5	66.0
1974	18.6	100.7	119.3	35.7	4.9	40.6

1941 1942

The following is a list of the names of the persons who were born in the year 1941.

1. <u>John</u> 2. <u>John</u> 3. <u>John</u> 4. <u>John</u> 5. <u>John</u> 6. <u>John</u> 7. <u>John</u> 8. <u>John</u> 9. <u>John</u> 10. <u>John</u>	11. <u>John</u> 12. <u>John</u> 13. <u>John</u> 14. <u>John</u> 15. <u>John</u> 16. <u>John</u> 17. <u>John</u> 18. <u>John</u> 19. <u>John</u> 20. <u>John</u>	21. <u>John</u> 22. <u>John</u> 23. <u>John</u> 24. <u>John</u> 25. <u>John</u> 26. <u>John</u> 27. <u>John</u> 28. <u>John</u> 29. <u>John</u> 30. <u>John</u>	31. <u>John</u> 32. <u>John</u> 33. <u>John</u> 34. <u>John</u> 35. <u>John</u> 36. <u>John</u> 37. <u>John</u> 38. <u>John</u> 39. <u>John</u> 40. <u>John</u>
---	--	--	--

Total number of names: 40

The following is a list of the names of the persons who were born in the year 1942.

1. <u>John</u> 2. <u>John</u> 3. <u>John</u> 4. <u>John</u> 5. <u>John</u> 6. <u>John</u> 7. <u>John</u> 8. <u>John</u> 9. <u>John</u> 10. <u>John</u>	11. <u>John</u> 12. <u>John</u> 13. <u>John</u> 14. <u>John</u> 15. <u>John</u> 16. <u>John</u> 17. <u>John</u> 18. <u>John</u> 19. <u>John</u> 20. <u>John</u>	21. <u>John</u> 22. <u>John</u> 23. <u>John</u> 24. <u>John</u> 25. <u>John</u> 26. <u>John</u> 27. <u>John</u> 28. <u>John</u> 29. <u>John</u> 30. <u>John</u>	31. <u>John</u> 32. <u>John</u> 33. <u>John</u> 34. <u>John</u> 35. <u>John</u> 36. <u>John</u> 37. <u>John</u> 38. <u>John</u> 39. <u>John</u> 40. <u>John</u>
---	--	--	--

Table 5 Price Differential Choice Steers U.S. and Canada

Quarterly 1968 to 1974
\$ per cwt.

	<u>Calgary over Omaha</u>				<u>Toronto over Omaha</u>			
	<u>1st q</u>	<u>2nd q</u>	<u>3rd q</u>	<u>4th q</u>	<u>1st q</u>	<u>2nd q</u>	<u>3rd q</u>	<u>4th q</u>
1968	-.66	-.04	+.39	-.72	+1.63	+1.44	+1.89	+1.25
1969	-1.43	-.26	-.29	-.87	+.52	+1.04	+1.99	+1.21
1970	+1.29	+1.15	+1.14	+1.63	+2.79	+2.77	+1.56	+3.50
1971	+.75	+.34	-1.57	-.39	+2.23	+1.71	+1.41	+1.89
1972	-.92	+.48	-2.62	+.44	+1.67	+1.30	+.48	+2.01
1973	-2.34	-1.70	-.13	+5.69	+.30	-.33	+4.14	+6.90
1974	+2.83	+6.88	+5.02	+10.57	+3.71	+7.57	+8.20	+13.11

Table 6 Canada: Cows, Steers, Heifers and Calves on Farms
January 1, 1975

	<u>East</u>	<u>% change</u> <u>1975/74</u>	<u>East</u>	<u>% change</u> <u>1975/74</u>	<u>East</u>	<u>% change</u> <u>1975/74</u>
	'000	%	'000	%	'000	%
Steers 1 year older	700.4	+ 3	744	+14	1,449.4	+ 9
Beef heifer	478.4	+11	746	- 5	1,174.4	+ 1
Calves Under 1 year	1,372.3	+ 7	2,955	+ 9	4,327.3	+ 8
Cows (beef)	788.3	+ 8	3,440	+ 6	4,223.3	+ 6

APPENDIX "C"

Page 4

Table 7

United States Cattle on Feed January

	<u>1973</u>	<u>1974</u>	<u>1975</u>
<u>Steers</u>			
500-699 lb.	2488	1953	1365
700-899 lb.	3144	2947	2132
900-1099 lb.	2549	2776	2252
1100 + lb.	<u>632</u>	<u>988</u>	<u>665</u>
Total	9878	9484	6907
 <u>Heifers</u>			
500-699 lb.	1354	1019	782
700-899 lb.	1184	1198	969
900-1099 lb.	<u>498</u>	<u>586</u>	<u>441</u>
Total	3917	3497	2641
